

RAPIDES PARISH GAS UTILITY DISTRICT NO. 2

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT.....	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenues, Expenses and Changes in Retained Earnings	3
Statement of Cash Flows	4

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May 22, 2006

Independent Accountants' Report

Mr. Bob Stevens, President
Rapides Parish Gas Utility District No. 2

We have compiled the accompanying balance sheet of the Rapides Parish Gas Utility District No. 2 as of December 31, 2005, and the related statements of revenues, expenses and changes in retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The financial statements present only the Rapides Parish Gas Utility District No. 2, which is a component of the Rapides Parish Police Jury. The financial statements present information on the enterprise fund maintained by the District and do not purport to present information for the Police Jury or other governmental units that comprise the financial reporting entity.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

-Members-
American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Rapides Parish Gas Utility District No. 2

Balance Sheet
December 31, 2005

Proprietary Fund -
(Utility Enterprise Fund)

ASSETS

Current Assets:

Cash	\$ 235,395
Receivables	37,903
Prepaid expenses	<u>3,092</u>

Total Current Assets 276,390

Property and equipment (net of accumulated depreciation) 218,183

Total Assets \$ 494,573

LIABILITIES AND EQUITY

Current Liabilities:

Accounts payable - operating	\$ 35,082
Current portion - advances payable	25,919
Customer deposits	<u>20,690</u>

Total Current Liabilities 81,691

Long-Term Liabilities:

Advances payable 124,932

Total Liabilities 206,623

Equity

Retained earnings 287,950

Total Equity 287,950

Total Liabilities and Equity \$ 494,573

See the Accompanying Accountants' Report.

Rapides Parish Gas Utility District No. 2

Statement of Revenues, Expenses, and Changes in Retained Earnings

For the Year Ended December 31, 2005

**Proprietary Fund -
(Utility Enterprise Fund)**

OPERATING REVENUES:

Sales of natural gas	\$ 179,573
Other operating revenue	488
Total revenues	<u>180,061</u>

OPERATING EXPENSES:

Purchases of natural gas	140,648
Salaries and wages	23,565
Employee benefits and payroll taxes	1,805
Legal and professional	964
Insurance and bonding	237
Depreciation	11,573
Repairs and maintenance	9,744
Telephone and utilities	2,971
Office supplies and expense	4,542
Other	1,993
Total expenses	<u>198,042</u>

Operating Income	<u>(17,981)</u>
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OTHER INCOME AND EXPENSES

Interest income	6,553
Other	70
Total other income and expenses	<u>6,623</u>

Net income (loss)	(11,358)
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Retained earnings (deficit) - beginning of year	<u>299,308</u>
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Retained earnings (deficit) - end of year	<u>\$ 287,950</u>
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See the Accompanying Accountants' Report.

Rapides Parish Gas Utility District No. 2

Statement of Cash Flows For the Year Ended December 31, 2005

Proprietary Fund - (Utility Enterprise Fund)

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating Income	\$ (17,981)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	11,573
Miscellaneous	71
(Increase) decrease in operating receivables	(2,048)
(Increase) decrease in prepaid expenses	(1,473)
Increase (decrease) in accounts payable	9,752
Increase (decrease) in customer deposits	985
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Net cash provided (used) by operating activities	879

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Repayment of Advances	-
Cash payments for property and equipment	(18,594)
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Net cash provided (used) by capital and related financing activities	(18,594)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest receipts	6,553
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Net cash provided (used) by investing activities	6,553
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Net increase (decrease) in cash	(11,162)
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Beginning cash balance	246,557
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Ending cash balance	\$ 235,395

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

For the year ended December 31, 2004 noncash investing, capital or financing activities were limited to disposing of equipment with a remaining book value of \$923

See the Accompanying Accountants' Report.